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RECORDED AND VERIFIED
REBECCA P. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO. NC

DECLARATION OF CONDOMINIUM

WILMINGTON SQUARE.

SEP 22 11 06 AM '83

THIS DECLARATION OF CONDOMINIUM made this 25th day of August, 1983, by SAVANNAH ASSOCIATES, a North Carolina Partnership, with its principal place of business in Mecklenburg County, North Carolina, hereinafter referred to as "Declarant".

W I T N E S S E T H:

6 THAT WHEREAS, Declarant is the owner, in fee simple, of certain real property, together with all improvements thereon, and appurtenances thereto, heretofore constructed or hereinafter constructed on said real property, located in New Hanover County, State of North Carolina, which said real property is more particularly described in Exhibit A attached hereto and made a part hereof by this reference; and,

WHEREAS, it is the desire and intention of Declarant, by the filing and recordation of this Declaration of Condominium in the Office of the Register of Deeds of New Hanover County, North Carolina, to submit said real property and all improvements, located thereon, and appurtenances thereto, to a plan of condominium unit ownership under the provisions of Chapter 47A of the North Carolina General Statutes and to submit the said condominium project to the provisions of said 47A of the North Carolina General Statutes.

NOW, THEREFORE, the Declarant does hereby publish and declare that all of said real property described in Exhibit A together with all improvements, and all appurtenances thereto, heretofore constructed or hereafter constructed thereon, is and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth hereinafter, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and all of which shall be deemed to run with the land and shall be a burden to Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the real property and improvements described herein, or any subdivision thereof, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE IDEFINITIONS

As used herein and in the By-Laws attached hereto and in all amendments hereto, unless the context requires otherwise:

RETURNED TO Jerry C. Woodall

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Section 1.1: "Act" means the Unit Ownership Act set forth in Chapter 47A of the North Carolina General Statutes, as such may be supplemented or amended from time to time.

Section 1.2: "Assessment" means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner by the Association.

Section 1.3: "Association" means the Wilmington Square Homeowner's Association, Inc., its successors or assigns.

Section 1.4: "Board of Directors" or "Board" means the Board of Directors of the Association and "Director" means a member of said Board of Directors.

Section 1.5: "By-Laws" means the By-Laws for the government of the condominium as they exist from time to time.

Section 1.6: "Common Areas and Facilities" means the portion of the condominium property owned, in undivided interest, by all the owners, as more specifically set forth herein.

Section 1.7: "Common Expenses" include the expenses of administration, maintenance, operation, repair and replacement, (including a capital reserve for repair, maintenance and replacement), of the common areas and facilities, and other expenses declared by the Association to be common expenses, as further defined in the Act.

Section 1.8: "Common Profits" means the balance of all revenues of the Association remaining after deduction of the common expenses.

Section 1.9: "Condominium Documents" means this Declaration, the By-Laws, Articles of Incorporation, the Rules and Regulations promulgated by the Board of Directors of the Association, and all other exhibits attached thereto and all other documents and regulations promulgated pursuant to the authority created herein and in the Act, and as such documents shall be amended or supplemented from time to time.

Section 1.10: "Declaration" means this instrument as it may be from time to time amended or supplemented.

Section 1.11: "Limited Common Areas and Facilities" means and includes those common areas and facilities which are reserved for the use of a certain unit or units to the exclusion of any other unit or units, as more specifically defined herein.

Section 1.12: "Property" means and includes the lands described in Exhibit A attached hereto and incorporated herein by reference together with any buildings and improvements located thereon.

Section 1.13: "Unit" or "Condominium Unit" means a part of the Property which is to be subject to private ownership and use, as designated on the exhibits attached to this "Declaration" and as further defined in the Act. The word "apartment", if used herein, is synonymous with the word "Unit" as defined herein.

Section 1.14: "Unit Owner" or "Owner" means a person or entity, or any combination thereof, who owns a unit.

ARTICLE II

SUBMISSION OF PROPERTY

Section 2.1: The Declarant, pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, does hereby submit all of the said real property, together with all improvements thereon and described herein, described in said Exhibit A to the provisions of the Unit Ownership Act as set out in Chapter 47A of the North Carolina General Statutes.

ARTICLE III

DESCRIPTION OF PROPERTY

Section 3.1: All that certain lot, parcel, piece or plot of land with the buildings and improvements thereon erected or to be erected situated, lying and being the City of Wilmington, County of New Hanover, State of North Carolina, and more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference.

Section 3.2: The name by which this condominium project shall henceforth be known is WILMINGTON SQUARE CONDOMINIUM (hereinafter referred to as "Wilmington Square").

ARTICLE IV

DESCRIPTION OF BUILDINGS

Section 4.1: The Declarant has constructed or will construct, upon the Property described in Exhibit "A" attached hereto, two (2) multi-unit buildings to be used for residential and lodging accomodation purposes as herinaeinafter provided. A plat of survey of the property by M. F. Underwood, R.L.S. showing the location of said building is attached hereto as Exhibit "B" and made a part hereof by this reference.

Section 4.2: In general each multi-unit building has two stories of living space, the lower story being ground level, an attic storage area, and is constructed principally of brick veneer. Building #1 (containing Units 1-4) has approximately 4,768 square feet of enclosed area [including attic storage]. The total gross square footage for Building #1 is divided into four (4) individual dwelling units consisting of 1,192 square feet each. Building #2 (containing Units 5-11) has approximately 8,340 square feet of enclosed area. [including attic storage]. The total gross square footage for Building #2 is divided into 7 individual dwelling units consisting of 1,192 square feet each. In addition, the buildings have common outside parking areas, walkways, landscaped areas and other appurtenances and facilities.

Section 4.3: The multi-unit buildings are more particularly described in the plans of said buildings, a copy of which said plans is attached hereto and made a part hereof as Exhibit "C" consisting of 5 pages.

ARTICLE V

UNIT DESIGNATION

Section 5.1: The unit designation of each dwelling unit, its location, approximate area, and immediate common areas and facilities to which it has access and other data necessary for its property identification are set forth in said Exhibit "C" which is attached hereto.

Section 5.2: Each unit is bounded both as to horizontal and vertical boundaries by the interior finished surfaces of its perimeter walls, ceilings and floors which are shown on said plans, subject to easements reserved herein for such encroachments as are contained in each building, whether the same now exist or may be caused or created by existing construction, settlement or movement of the building, or by permissible repairs, construction or alterations.

Section 5.3: Each Unit shall have the following rooms: living room, kitchen-dining room combination, washer-dryer closet, storage closets, 1/2 bath, full bath, two bedrooms and attic storage area. Reference is made to Exhibit "C" for a floor plan for each unit.

ARTICLE VI

COMMON AREAS AND FACILITIES

Section 6.1: The common areas and facilities consist of the following:

- (1) The land on which the buildings are erected and lands surrounding the buildings as is more fully described in Article 3 above, excepting, however, any portion thereof included in a Unit.
- (2) All common foundations, columns, girders, beams, supports, load-

bearing walls, and other structural members.

(3) All yards, roads, driveways, parking areas, walkways and paths.

(4) All roofs, exterior walls and interior walls except those non-load bearing partition walls, non-common chases and suspended ceilings wholly with a unit.

(5) All central and appurtenant installations, apparatus and equipment for utility services, including, but not limited to power, light, gas, refrigeration, water, heating, air conditioning, telephone, sewer, mail, irrigation, and trash disposal, if any, supplied for the use and convenience of the unit owners.

(6) All other parts of the Property and all apparatus and installations existing in the building or upon the Property for common use or necessary or convenient to the enjoyment, existence, maintenance or safety of the Property, including, but not limited to the concrete walkways and fencing, if any.

Section 6.2: The undivided interest of each unit owner in such common areas and facilities is set forth in Exhibit "D" attached hereto and made a part hereof.

ARTICLE VII

LIMITED COMMON AREAS AND FACILITIES

Section 7.1: The limited common areas and facilities appurtenant to each unit are as follows:

- A. The surface areas of any stoop and patio adjacent to each Unit. Reference is made to Exhibit "C" for such stoops and patios.
- B. All non-load bearing walls located entirely within the unit;
- C. All materials, including, but not limited to, studs, sheetrock, plywood, carpet, paint, paneling, tile, vinyl or brick, attached to, or on, the inside surfaces or perimeter walls, floors, and ceilings of the unit;
- D. All doors, windows, screens, ventilation fans and vents located entirely within the unit or extending into the unit from the perimeter walls, floors or ceilings thereof;

E. All air handling units, ducts and components and all water, power, telephone, television and cable television, electricity, plumbing, gas and sewer lines located in the unit; provided, however, that the portion of said lines located in a common compartment for, or installation of, such lines shall be general common areas and facilities as described above.

F. The post or fencing on the concrete walkway, patios, stoops or other outside entry area at ground level.

Section 7.2: The limited common areas and facilities which are appurtenant to any unit(s) shall not be separated therefrom and shall pass with title to any unit(s), whether or not separately described. Subject to the limitations contained herein, the owners of any unit(s) shall have exclusive (100%) use, possession and control of the limited common areas and facilities appurtenant to such unit.

ARTICLE VIII

USE AND RESTRICTIONS ON USE

Section 8.1: Restrictions on Use:

(a) Each unit is hereby restricted to single-family residential use by the owner thereof, his immediate family, guests, invitees and lessees.

(b) No immoral, improper, offensive or unlawful use shall be made of any unit or of the common areas or limited common areas and facilities, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the unit shall be observed. No owner of any unit shall permit or suffer anything to be done or kept in his unit, or on the common areas or limited common areas and facilities, which will increase the rate of insurance on the unit, or which will obstruct or interfere with the rights of other occupants of the other units or annoy them by unreasonable noises, nor shall any owner undertake any use or practice which shall create and constitute a nuisance to any other owner of a unit or which interferes with the peaceful possession and proper use of any other unit or the common areas and facilities.

(c) The use of common areas, limited common areas and facilities, by the owner of a unit or units or owners of all units, and all other parties authorized to use the same, shall be at all times subject to such reasonable

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rules and regulations as may be prescribed and established governing such use or which may be hereafter prescribed and established by the Association.

(d) No owner of a unit shall permit any structural modification or alteration to be made to such unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine, in their sole discretion, that such structural modification or alterations would adversely effect or in any way endanger the condominium in part, or in its entirety. No owner shall cause any improvements or changes to be made on the exterior of the condominium (including painting or other decoration, or the installation of awnings, or the installation of electrical wiring, television or radio antenna or any other objects, machines or air conditioning units which may protrude through the walls or roof of the unit or condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first had and obtained. No unit owner shall cause any object to be fixed to the common areas and facilities (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the common areas and facilities or limited common areas and facilities without the written consent of the Association being first had and obtained.

(e) No advertising, signs, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the property, including but not limited to the individual units or common or limited common areas, nor shall the property or any part of it be used in any way or for any purpose which may endanger the health of or unreasonably disturb the owner of any residence or any resident thereof. No business activity of any kind whatever shall be conducted at any building or on any portion of the property; provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards of the Declarant, its agents or assigns, during the construction and sale period.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the property.

(g) The exterior of the units shall not be decorated by the individual unit owners in any manner without the prior written consent of the Board of Directors of the Association.

(h) No trailer of any sort, tent, barn, storage camper, shed, garage or other similar out building or structure shall be placed on the property at any time, either temporarily or permanently.

(i) No structure of a temporary character shall be placed upon the property at any time, provided, however, that this provision shall not apply to shelters and shed used by the Contractor during the construction of the multi-unit buildings or common area improvements or other necessary construction, it being clearly understood that these latter temporary structures may not, at any time, be used as residences or permitted to remain on the building site after completion of construction.

(j) All garbage and refuse from the individual units shall be deposited with care in garbage containers or receptacles intended for such purpose, said containers or receptacles to be kept at all times in the space provided therefor.

(k) It shall be the responsibility of each unit owner, and the Board of Directors of the Association, to prevent the development of any unclean, unsightly or unkept conditions of the limited and general common areas.

(l) So long as the Declarant shall retain ownership of any units, it may utilize any such unit or units for sales offices, models or other usage for the purpose of selling units with said project. The Declarant may assign this limited commercial usage right to any other person or entities as it may choose; provided, however, that when all units have been sold, this right of commercial usage by the Declarant, its successors and assigns shall immediately cease.

(m) The use of the condominium or any units therein may be further restricted under the By-laws of the Association, its Rules and Regulations.

Section 8.2: All restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them for a period of twenty (20) years from the date of recordation of this Declaration, after which time said restrictions and obligations will be automatically extended for successive periods of ten (10) years, unless an instrument signed by the then

owners of condominium units entitled to vote at least ninety (90%) percent of the votes of the Association affected by such restrictions and obligations has been recorded agreeing to change such restrictions and obligations in whole or in part.

Section 8.3: In the event of a violation or breach of any of these restrictions, or of any other covenants of this Declaration, by any property owner, or agent thereof, the owners of other units or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel the compliance of the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Board of Directors of The Association shall have the right whenever there shall have been any violation of these restrictions to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner, if after thirty (30) days written notice of such violation it shall not have been corrected or removed by the owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or conditions contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter, as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. The remedies set out herein for such violation or breach are cumulative with any other legal or equitable rights available to any entity or person. The invalidation by any court of any restrictions or obligations in this Declaration shall in no way affect any of the other restrictions, which shall remain in full force and effect.

Section 8.4: All present and future owners, tenants and occupants of units now in existence or to be constructed shall be subject to, and shall comply with the provisions of this Declaration. The By-Laws and any Rules and Regulations as may be adopted in accordance with the By-Laws; said Declaration, By-Laws, Rules and Regulations may be amended from time to time. The acceptance of a deed of conveyance, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, By-Laws, and any Rules and Regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having any time any interest or estate in such

unit as though such provisions were made a part of each and every deed of conveyance or lease.

Section 8.5: The uses contemplated by this Article, and the restrictions on use as set forth in this Article cannot be changed, amended, or modified without the written consent of the owners of all units, except as may be provided elsewhere in this Declaration.

ARTICLE IX

PERSON TO RECEIVE SERVICE OF PROCESS

Section 9.1: Jerry C. Woodell is hereby designated to receive Service of Process in any action which may be brought against or in relation to these condominium units. Said person's residence or place of business is 14 South Fifth Street, Wilmington, North Carolina, 28402, which is within the city and county in which the property is located. The Board of Directors may change the person designated to receive service of process by filing the appropriate information with the office of the Register of Deeds for New Hanover County.

ARTICLE X

EASEMENTS

Section 10.1: In addition to easements and rights established and/or reserved elsewhere in this Declaration, the easements and rights set out hereinbelow under Sections 10.2 through 10.7 are hereby established as covenants and burdens running with the real property and the improvements thereon.

Section 10.2: In case of emergency originating in or threatening any unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the managing agent, if any, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right shall be immediate.

Section 10.3: Each unit and all common areas and facilities and limited common areas and facilities are hereby subjected to an easement for the repair, maintenance, expansion, reduction, inspection, removal, relocation or other service of or to all gas, electricity, television, telephone, water, plumbing, sewer, utility, drainage or other lines or other common areas and facilities, whether or not the cause of any or all of those activities originates in the unit in which the work must be performed.

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Section 10.4: Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and any other common areas and facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use pipes, ducts, cables, wires, conduits, public utility lines and any other common areas and facilities serving such other units and located in such unit. The Board or its designee shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilities contained therein or elsewhere.

Section 10.5: The initial and subsequent Boards may grant or assume easements, leases, or licenses for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits, and wires over, under, along and on any portion of the units, and/or common areas and facilities and limited common areas and facilities; and each unit owner hereby grants to the Board, or its designee, the irrevocable power of attorney to execute, acknowledge and record for or in the name of the Association or each unit owner such instruments as may be necessary to effectuate the foregoing.

Section 10.6: In the event any portion of the common areas and facilities encroaches upon any unit, or any unit encroaches upon any other unit, or any unit encroaches upon the common areas and facilities, (whether the same now exists or may be caused or created by existing construction, settlement or movement of the buildings, or by permissible repairs, construction or alteration), a valid cross easement for any such encroachment, or encroachments, and maintenance of same is hereby created.

Section 10.7: Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, walks and lanes as the same, from time to time, may exist upon the common areas and facilities; and for vehicular traffic over, through and across such portions of the common areas and facilities as from time to time may be paved and intended for such purposes, for all unit owners, their guests, families, invitees, lessees, the Association, and the Declarant, its successors and assigns.

ARTICLE XIMAINTENANCE-OWNER

Section 11.1: Without limiting any insurance voluntarily carried by the Association on limited common areas and facilities, all limited common areas and facilities, as described in Article VII hereof, shall be maintained (and, if owner desires, insured) by the owner. Any replacements or substitution of such limited common areas and facilities shall be compatible with any common areas and facilities affected thereby. The Association shall not be responsible for repairing, maintaining, or insuring such limited common areas and facilities.

Section 11.2: The owner of the dwelling unit to which a patio and stoop appurtenant shall be responsible for the upkeep, repair, and maintenance of the surface floor area, and any fencing thereof, of the patio and stoop. No change in color, material or finish shall be made, and no additions or fixtures shall be made without express written approval of the Board of Directors, based on actual samples and drawings acceptable to the Board of the proposed change. All remaining structural portions of said patio and deck shall be considered common areas and facilities as provided for in the remaining sections of this Declaration including specifically the maintenance, repair and upkeep of same.

Section 11.3: All parts of a condominium unit shall be kept in good condition and repair by and at the expense of the owner. The unit shall be maintained by the owner in a clean and safe condition, free of nuisance. Each unit owner will promptly comply with any requirements of the insurance underwriters of the insurance for the common areas and facilities when so requested in writing by the Board or its designated agent. Any failure of an owner to repair, maintain or replace as may be required pursuant to the Condominium Documents or a determination by the Board or its designated agent that such failure will endanger or impair the value of the common areas and facilities or any unit, or the limited common areas and facilities belonging to another owner, may be, upon written notice to the owner of the nature of the required repair, maintenance or replacement, repaired or replaced by the Association at the expense of the unit owner, to be collected by special assessment as provided herein and in the By-Laws. Such assessment may include the

cost to the Association incurred in the abatement of any nuisance maintained by the unit owner therein.

ARTICLE XII

THE ASSOCIATION

Section 12.1: To provide for the administration and maintenance of Wilmington Square, and future construction, if any, by the unit owners, a nonprofit North Carolina Corporation known and designated as WILMINGTON SQUARE HOMEOWNER'S ASSOCIATION, INC. (hereinafter the "Association"), has been organized, a true copy of its Articles of Incorporation having been recorded in Book ____, at Page ____, in the Office of the Register of Deeds of New Hanover County, North Carolina, and the provisions thereof are incorporated herein by reference. The Association shall administer the operation and management of the condominium, Wilmington Square, as well as any units which are constructed in the future, if any, and shall undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and its duly adopted By-Laws. A true copy of the original By-Laws are attached hereto as Exhibit E and incorporated herein by reference.

Section 12.2: Management of Association.

(a) Declarant shall be solely responsible and have all rights and control of the management of the Association, as herein described, for a period of time not to exceed one hundred twenty (120) days after seventy (70%) percent of the units in the condominium project have been conveyed to the unit purchasers. Within one hundred twenty (120) days after conveyance of seventy (70%) percent of the unit estates of the condominium project to the unit estate purchasers, or three years following the date of conveyance of the first conveyance in the condominium project, whichever first occurs, Declarant shall transfer the right and responsibility for management of the Association to the unit owners to be exercised through the Association. Such transfer of the rights and responsibility for management of the Association will not preclude or prevent Declarant from exercising continued influence in the management of the Association through such votes as are allocated to Declarant through the ownership of units.

Section 12.3: Until transfer of the rights and responsibility for management of the Association occurs, as set forth in the above paragraph, the Board of Directors of the Association shall consist of those three

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individuals as are appointed by the Declarant to the initial Board of Directors of the Association as stated in the Articles of Incorporation for the Association or the successors or replacements for such Directors as named by Declarant. The Board of Directors as described herein shall have the exclusive control and responsibility for the operation and management of the Association exercising all powers, duties and obligations, free from interference or control of the purchasers of the unit estates.

Section 12.4: Membership and Voting Rights. Membership and voting rights in the Association shall be as provided in Article IV of the Articles of Incorporation referred to and incorporated herein as stated hereinabove subject to the Declarant's rights of management control of the Association as set out above. Membership shall be mandatory for all unit owners of all units at Wilmington Square, including units constructed at a future date; if any.

Section 12.5: Powers. The Association shall have all powers granted to it as stated in Article III of said Articles of Incorporation.

Section 12.6: Common Expenses. The common expenses of the Association shall be shared by the unit owners in amounts determined by applying each unit owner's proportionate share of ownership in the common areas and facilities to the total common expenses of the Association, and as assessed against the unit owners, and their units as provided for hereinafter.

Section 12.7: Management and Maintenance.

(a) The Association, as a common expenses, shall be responsible for the maintenance, repair, and replacement of all of the common areas and facilities, including those portions thereof which contribute to the support of the building or buildings, and all conduits, ducts, plumbing, wiring, and other facilities located in the common areas and facilities for the furnishing of utility and other services to the units and said common areas and facilities, and should any incidental damage be caused to any unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair, or replacement of any common areas and facilities, the Association shall, at its expense, repair such incidental damage. Whenever the Association incurs expenses in the maintenance, replacement or repair of common areas or facilities

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and such expense is occasioned by any act of a unit owner, his immediate family, guests, or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association, shall be used for the purpose of making such maintenance, repair or replacement, except that the unit owner who is responsible for the act causing the damage (whether done by himself or by his family, guest, or invitees) shall be required to pay such portion of the cost of such maintenance, repair, and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the available insurance proceeds.

(b) The Association shall have the right to make or cause to be made such alterations or improvements to the common areas and facilities which do not prejudice the rights of the owner of any unit in the use and enjoyment of his unit, provided the making of such alterations or improvements is approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be common expenses to be assessed and collected from all of the owners of units. However, where any alterations and improvements are exclusively or substantially for the benefit of the owner or owners of a certain unit and certain unit or units requested the same, then the cost of such alterations or improvements shall be assessed against and collected solely from the owner or owners of the unit or units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

(c) The Declarant may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. However, no such contract or lease shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract or lease. Except, however, any such contract or lease shall contain a provision allowing the Association to terminate such contract or lease, without justification or penalty after Transfer of Management by Declarant to the Association.